

REPRESENTATIVE FOR PETITIONERS:

Henry L. Antonini

REPRESENTATIVE FOR RESPONDENT:

Paige Kilgore, Vermillion County Assessor

**BEFORE THE
INDIANA BOARD OF TAX REVIEW**

Henry L. and Ann M. Antonini,)	Petition Nos.: 83-001-14-1-5-10075-15
)	83-001-15-1-5-00722-16
Petitioners,)	
)	
v.)	Parcel No.: 83-13-18-300-001.002-001
)	
Vermillion County Assessor,)	County: Vermillion
)	
Respondent.)	Assessment Years: 2014 and 2015

Appeal from the Final Determination of the
Vermillion County Property Tax Assessment Board of Appeals

December 9, 2016

FINAL DETERMINATION

The Indiana Board of Tax Review (“Board”) having reviewed the facts and evidence, and having considered the issues, now finds and concludes the following:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

PROCEDURAL HISTORY

1. Petitioners contested their 2014 and 2015 assessments. The Vermillion County Property Tax Assessment Board of Appeals (“PTABOA”) issued notices of its determinations on February 10, 2015, and February 9, 2016. Petitioners timely filed Form 131 petitions with the Board.

HEARING FACTS AND OTHER MATTERS OF RECORD

2. On July 13, 2016, our administrative law judge, Jacob Robinson (“ALJ”), held a hearing on the petitions. Neither he nor the Board inspected the property.

3. The following people were sworn as witnesses and testified:

For Petitioners:	Henry L. Antonini, Carl N. Miller, III, Newlin-Johnson Co., Inc.
For Respondent:	Paige Kilgore, Vermillion County Assessor Brian G. McHenry, Tyler Technologies Nick A. Tillema, Access Valuation ¹

4. Petitioners submitted the following exhibits:

Petitioners Exhibit A:	2014 Form 131 petition and attachments (including appraisal report by Anthony J. Avenatti, Malone Appraisals)
Petitioners Exhibit B:	2015 Form 131 petition and attachments (including appraisal report by Carl N. Miller, III, Newlin-Johnson Co., Inc.)
Petitioners Exhibit C:	State Form 53958 – Taxpayer’s Notice to Initiate an Appeal (blank)

5. Respondent submitted the following exhibit:

Respondent Exhibit 1:	Review of Carl N. Miller, III’s appraisal report, prepared by Nick A. Tillema, Access Valuation
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6. The following items are also recognized as part of the record:

Board Exhibit A:	Form 131 petitions and attachments
Board Exhibit B:	Hearing notices
Board Exhibit C:	Hearing sign-in sheet

¹ Cathi Gould was sworn in, but did not testify at the hearing.

7. The property contains a custom-built home on 16.76 acres located at 459 Via Veneto Terrace, Clinton. The home was built in 2010 and has approximately 8,000 square feet of above-grade living space, with five bedrooms and 5 ½ baths. The basement has approximately 4,900 square feet of unfinished space, although one room is framed. The home also has a three-car attached garage and a five-car garage attached via a porch.
Pet'rs Ex. B.

8. The PTABOA determined the following assessments:

Year	Land	Improvements	Total
2014	\$41,500	\$1,262,000	\$1,303,500
2015	\$41,500	\$1,235,200	\$1,276,700

9. Petitioners requested an assessment of \$625,000 for each year.

SUMMARY OF PETITIONERS’ CONTENTIONS

10. Petitioners contend that their property was over-assessed. Mr. Antonini believes that valuing property is extremely subjective and that some properties are poor investments. He testified that the house was a nightmare to build and is not worth what it cost.
Antonini testimony.

11. Petitioners offered a market value appraisal from Carl N. Miller, III, an Indiana certified general appraiser. Miller certified that he prepared the appraisal in accordance with the Uniform Standards of Professional Appraisal Practice (“USPAP”). He developed both the cost and sales comparison approaches to estimate the property’s market value for the March 1, 2014, and March 1, 2015 valuation dates. *Miller testimony; Pet'rs Ex. B.*²

² Anthony J. Avenatti, an Indiana certified residential appraiser, also appraised the property. He only addressed the March 1, 2014 valuation date. He used the sales comparison approach but did not develop the cost approach “at the request of owner.” He did not testify. While Petitioners offered his appraisal into evidence as part of a larger exhibit, they did not discuss it. *Pet'rs Ex. A.*

a. Miller's Cost Approach

12. Miller used the October 2015 version of the Marshall Swift Residential Cost Handbook to estimate the following replacement cost new for the improvements:

Above-grade living area:	\$1,152,580 (143.57/sq. ft.)
Unfinished basement:	\$88,200 (\$18/sq. ft.)
Three-car garage:	\$27,880 (\$32.80/sq. ft.)
Five-car garage:	\$52,283
<u>Patio, porches, walkways:</u>	<u>\$30,000</u>
Total:	\$1,350,943

Based on a 60-year life, he used the straight-line method to estimate physical depreciation at 8.33%, or \$112,534. *Pet'rs Ex. B.*

13. He then considered obsolescence. Miller believed the improvements suffered from functional obsolescence stemming from “a loss in value due to design.” He “attempted to derrive (sic) the loss in value due to design (overbuilt) for the area by extracting the loss in value from homes that were also overbuilt in areas that had some level of comparison to the subject,” although he admitted the task was difficult because of the “extremely limited” data. He used two homes in neighboring Vigo County that cost \$1 million or more to build. The first home (3448 Bluegrass Lane, Terre Haute) had 6,919 square feet and cost \$2 million to build in 2002. That property sold five years later for \$745,000, or 37.25% of the home's cost new. The other home (4282 Cart Path Road, Terre Haute) was 6,000 square feet and cost \$900,000 to build in 2007. The property sold five years later for \$658,500, or 73% of the home's cost new. *Miller testimony; Pet'rs Ex. B.*
14. Miller did not offer much detail about his obsolescence analysis. But it appears he used the actual construction costs for the improvements and compared those costs to the sale prices for the properties as a whole, including land. Similarly, although Miller testified that he calculated the sale prices as a percentage of construction cost after first subtracting physical depreciation, the actual percentages he reported do not support that.

Instead, it appears he calculated those sale prices as a percentage of the undepreciated construction costs.³

15. In any case, based on those two sales, Miller concluded, “as price continues to exceed the market value for an area, the level of value loss (functional depreciation) increases proportionally.” He described Petitioners’ home as falling between these two sales with an apparent loss of value due to functional obsolescence of about 50%, or \$675,472. After including functional obsolescence, Miller calculated total depreciation of \$788,006. *Miller testimony; Pet’rs Ex. B.*

16. Miller estimated the contributory value of the site improvements at \$20,000 and the site value itself at \$56,000, but he did not explain how he calculated those values. After subtracting his estimated depreciation (including obsolescence) from replacement costs and adding the site improvements and site value, Miller arrived at a total value of \$638,937. *Pet’rs Ex. B.*

b. Miller’s Sales Comparison Approach

17. Miller began his sales comparison analysis by trying to determine the market for Petitioners’ property. He looked at the markets in Vermillion and Vigo Counties but did not find any sales in the appropriate price range. He then expanded his search statewide but found “relatively zero sales” of homes for more than \$1 million outside of Indianapolis, Hamilton County, Allen County, Elkhart, the “Region,” and the area across from Louisville. He did not consider any of those areas to be in the same market as Petitioners’ property. He researched Vigo County further and found one home that sold for \$1.1 million at a 2011 auction. But to his knowledge, that is the only Vigo County home that has ever sold for over \$1 million. *Miller testimony.*

³ The sale price for the first property was exactly 37.25% of the home’s construction cost. Similarly, the sale price for the second property was 73.16% of that home’s construction cost.

18. Vermillion County supports about 100 sales per year. The average sale price in the county was \$74,031 in 2014. In 2013, the highest sale price reported to the multiple listing service was \$510,000. During the four years from 2012-2015, there was one sale above \$500,000. There were 7 sales above \$300,000 and 16 sales above \$200,000 during the same period. Thus, Miller believes market demand for properties above \$500,000 was “extremely limited.” *Miller testimony; Pet’rs Ex. B.*

19. In comparison, Vigo County, which abuts Vermillion County to the south, has a market roughly 10 times larger and supports about 1,000 sales per year. For 2012-2015, Vigo County’s average sale price ranged from \$99,500 to \$108,642, with 13 sales above \$500,000, 135 sales above \$300,000, and 420 sales above \$200,000. The highest sale price in that period was \$770,000. *Miller testimony; Pet’rs Ex. B.*

20. Miller described the property’s market area as a 10-mile radius surrounding the town of Clinton. He selected three high-end homes from that market area, which he found were the only sales priced anywhere close to Petitioners’ property. He believed the sale dates had little relevance. Because the market sector for Petitioners’ property had so few transactions, Miller thought it was more important to find suitable sales within that market than to search dissimilar markets just to stay within a particular range of dates. *Miller testimony; Pet’rs Ex. B.*

21. Miller gave the following information about the sales:
 - **11 Timberline Road, Clinton.** The home sits on 56.21 acres approximately four miles from Petitioners’ property. It has 6,477 square feet of gross living area, and a 2,649-square-foot unfinished basement. It has three bedrooms, 2.2 baths, a three-car garage, and a pole barn, which without offering any explanation, Miller said was similar to Petitioners’ five-car garage. The property sold for \$510,000 in 2013. Miller described it as the best sale overall.

- **6 Timberline Road, Clinton.** The home sits on 1.19 acres approximately four miles from Petitioners' property. The home has 4,979 square feet of gross living area, and a 2,048-square-foot finished basement. It has five bedrooms, 2.1 baths, and a three-car garage. The property sold for \$372,000 in 2014. *Pet'rs Ex. B.*
- **3448 Bluegrass Lane, Terre Haute.** Miller used this same property in his obsolescence analysis. The home sits on 2.03 acres in suburban Vigo County and is about 18 miles from Petitioners' property. It has 6,919 square feet of gross living area, with a 3,498-square-foot basement. The basement includes 2,702 square feet of finished space. The home has five bedrooms, 5.1 baths, and a three-car garage. The builder confirmed it cost about \$2 million to build and the property sold for \$745,000 in 2007.

Miller testimony; Pet'rs Ex. B.

22. Miller adjusted the sale prices to account for various ways in which the properties differed from Petitioners' property, including differences in site size, design and appeal, age, number of baths and bedrooms, living area, heating and cooling systems, and garages. He used an adjustment of \$20/sq. ft. for differences in living area; adjustments of \$15/sq. ft. and \$10/sq. ft. for differences in finished and unfinished basements, respectively; and an adjustment of 0.5% of gross sale price for differences in age. He did not explain how he determined those rates.
23. For other adjustments—such as the subject property's superior geothermal system and differences in site size, garages, landscaping, and location—Miller simply used whole numbers without explaining how he arrived at them. Some of those adjustments were large. For example, he deducted \$59,000 from 11 Timberline Road's sale price to account for its larger site and \$75,000 from the Bluegrass Lane property's sale price to account for its superior location. The adjusted sale prices were \$528,500, \$560,000, and \$642,000, respectively. *Miller testimony; Pet'rs Ex. B.*

24. Miller believed that Petitioners' property was superior to the two Timberline Road properties, but he still considered those sales because of their proximity to Petitioners' property. He gave the greatest weight to the Bluegrass Lane sale. The average adjusted sale price was \$576,833, and he settled on a value of \$600,000. *Miller testimony; Pet'rs Ex. B.*

c. Miller's Final Reconciliation

25. Miller found that both approaches to value were valid and should carry weight, but he admitted they both had weaknesses. Specifically, he had difficulty estimating depreciation within the cost approach due to the "extremely limited" data. A similar lack of data left him with a limited market under the sales comparison approach. Miller ultimately concluded that the property's market value was \$625,000 as of March 1, 2015. He further concluded that there was "no better or more rational data for a value estimate" for the 2014 assessment. He therefore used the same value for that year. *Miller testimony; Pet'rs Ex. B.*

d. Miller's Additional Comments

26. Nick Tillema prepared a review appraisal in which he found that Miller should have estimated the property's true tax value rather than its market value. Miller disagreed, explaining that the changes in Indiana's assessment system were designed to correlate market value and assessed value and to get away from some of the subjectivity in the old system. Miller understood Tillema's argument that the sales comparison approach can only be used if there is sufficient data. But he disagreed with Tillema's opinion that he lacked sufficient data. Although Tillema prepared his own sales comparison grid, Miller explained that all of Tillema's sales came from areas far removed from Vermillion County. According to Miller, those properties did not compete in the same market as Petitioners' property. *Miller testimony; Resp't Ex. 1.*

SUMMARY OF RESPONDENT'S CONTENTIONS

27. Respondent relied primarily on Tillema's testimony and his written review of Miller's appraisal report. Tillema explained that Miller used a definition of market value from the Financial Institutions Reform, Recovery, and Enforcement Act. That definition is for mortgage work, not for property tax appeals. He thought Miller did a decent job, and he respected Miller's opinion that Petitioners' property should sell for about \$625,000. But according to Tillema, true tax value does not speak in terms of buyers and sellers—it instead looks at what a property's owners think it should be worth and how they are using it at that particular time. *Tillema testimony; Resp't Ex. 1.*
28. Tillema agreed that Miller's use of local markets "makes a lot of sense" from a market value standpoint. The typical owner of a property like the one at issue here, however, is not particularly concerned with what goes on in the market. If someone has the money to spend \$2 million or more on a home, he does not want to buy someone else's dream—he buys the land and builds his own dream home. The market for those homes is different. People buying ultra-luxury homes are not interested in getting a deal. But they do care about what goes into the home, such as terrazzo from France or paneling from Israel. *Tillema testimony.*
29. Petitioners' home is much bigger than other homes in its community, and it has many features not typically found in those homes. Tillema believes it is unique. In keeping with his view of Indiana's true tax value standard, the cost approach should be used to value that type of property. According to Tillema, true tax value is the value to the owner, which generally means what it would cost to build. If there are sales available that add credibility, they can be used as well. If a home is in a residential market with thousands of sales, there might be enough data to show what buyers and sellers think the home is worth. But when there are few sales, the sales comparison approach does not offer much help. Tillema acknowledged that Miller used the sales comparison approach correctly, but criticized him for limiting his comparable sales to local properties, calling it "an illogical decision for an ultra-luxury home." *Tillema testimony; Resp't Ex. 1.*

30. Tillema performed his own search for comparable sales and found “at least 20” properties selling in the multi-million-dollar range. This did not include homes in Hamilton County, because that market does not resemble the market for Petitioners’ property. He searched for properties in rural areas with a lot of privacy that were of a similar size and age as Petitioners’ home and offered similar amenities. He analyzed eight of these sales and put his analysis on a grid that he attached to the back of his review appraisal. Based on these sales, Tillema estimated the value of Petitioners’ property at \$1,250,000 for both the March 1, 2014, and March 1, 2015 valuation dates. *Tillema testimony; Resp’t Ex. 1.*

31. Tillema also reviewed Miller’s cost approach analysis and found it unacceptable in several respects. Miller included an estimated land value of \$56,000. But he neither explained the method he used to arrive at that number nor provided any of his underlying data. Similarly, Miller included \$20,000 for site improvements without offering any support. *Tillema testimony; Resp’t Ex. 1.*

32. Tillema strongly criticized Miller’s 50% obsolescence adjustment. He testified that tax law asks appraisers to calculate “replacement cost,” which is the cost to build a *similar* house in today’s market. In Tillema’s view, when an appraiser uses replacement cost, there is no need to account for functional obsolescence because it has already been removed. He also was unsure how Miller arrived at a 50% adjustment. The two properties from Miller’s analysis sold for approximately 35-40% and 80% of the homes’ respective construction costs. With those extremes, Miller’s obsolescence adjustment could have ranged anywhere from 30% to 60-70%. *Tillema testimony; Resp’t Ex. 1.*

33. Tillema prepared his own cost approach analysis in which most of his cost and depreciation estimates differed only slightly from the values Miller used. The largest difference between the two appraisers was that Tillema found no functional obsolescence. He did include a 10% adjustment for external obsolescence based on “temporary loss

attributed to the economy.” Tillema’s came up with total values of \$1,225,000 for March 1, 2014, and \$1,220,000 for March 1, 2015. *Tillema testimony; Resp’t Ex. 1*

34. Finally, Tillema noted that Miller did not include a final reconciliation between his conclusions under the cost and sales comparison approaches, although it appeared Miller put the greatest emphasis on the sales comparison approach. Given Tillema’s understanding of true tax value, he believed that was improper. In reconciling his own analyses, Tillema found his conclusions under the cost approach to be the most credible value indication and he gave them the greatest weight. His reconciled estimate of true tax value was \$1,225,000 for March 1, 2014, and \$1,220,000 for March 1, 2015. *Tillema testimony; Resp’t Ex. 1.*

ANALYSIS AND CONCLUSIONS OF LAW

A. BURDEN OF PROOF

35. Generally, a taxpayer seeking review of an assessing official’s determination has the burden of making a prima facie case both that the current assessment is incorrect and what the correct assessment should be. If the taxpayer makes a prima facie case, the burden shifts to the assessor to offer evidence to impeach or rebut the taxpayer’s evidence.
36. Indiana Code § 6-1.1-15-17.2, also known as the burden shifting statute, creates an exception to that rule where (1) the assessment under appeal represents an increase of more than 5% over the prior year’s assessment for the same property, or (2) a successful appeal reduced the previous year’s assessment below the current year’s level, regardless of the amount. I.C. § 6-1.1-15-17.2. Under those circumstances, the assessor has the burden of proving the assessment is correct. *Id.* If she fails to do so, it reverts to the previous year’s level or to another amount shown by probative evidence. *See* I.C. § 6-1.1-15-17.2(b).

37. Petitioners stipulated that they bear the burden of proof for 2014. Because assigning the burden of proof for 2015 depends on our determination for the prior year, we will address that question after deciding the 2014 appeal.

B. OBJECTIONS

38. Petitioners objected to Brian McHenry, an employee of Respondent’s contractor, testifying, because Respondent did not identify him as a potential witness before the hearing. The ALJ took the objection under advisement and allowed McHenry to testify.

39. We sustain the objection and strike McHenry’s testimony. Our administrative rules require parties to exchange a list of witnesses at least 15 business days before a hearing. 52 IAC 2-7-1(b)(2). The exchange requirement allows parties to be better informed and to avoid surprises. It also promotes an organized, efficient, and fair consideration of the issues. Failure to comply with the exchange requirement may serve as grounds to exclude a witness’s testimony. 52 IAC 2-7-1(f). Respondent admitted she did not exchange a witness list or otherwise identify McHenry as a witness before the hearing. Allowing him to testify would create the type of unfair surprise our exchange rule seeks to prevent.

40. Petitioners also objected to the form of several of Respondent’s questions because it “seem[ed] like she [was] testifying.” We need not revisit the objections as the ALJ cautioned Respondent to direct questions to her witness and she complied thereafter.

C. TRUE TAX VALUE

41. Indiana assesses property based on its “true tax value,” which is determined under the rules of the Department of Local Government Finance (“DLGF”).⁴ I.C. § 6-1.1-31-6(f). True tax value does not mean “fair market value” or “the value of the property to the

⁴ The legislature has specifically defined true tax value for various property types, including certain rental properties (I.C. § 6-1.1-4-39), casinos (I.C. § 6-1.1-4-39.5), low-income rental properties (I.C. § 6-1.1-4-41), and golf courses (I.C. § 6-1.1-4-42).

user.” I.C. § 6-1.1-31-6(c) and (e); I.C. § 6-1.1-31-5(a). The DLGF defines “true tax value” as:

The market value-in-use of a property for its current use, as reflected by the utility received by the owner or by a similar user, from the property.

2011 REAL PROPERTY ASSESSMENT MANUAL at 2.

42. The cost, sales-comparison, and income approaches are three generally accepted ways to determine true tax value. MANUAL at 2. Parties may offer any evidence relevant to a property’s true tax value, including appraisals prepared in accordance with generally recognized appraisal principles. MANUAL at 3; *Eckerling v. Wayne Twp. Ass’r*, 841 N.E.2d 674, 678 (Ind. Tax Ct. 2006) (reiterating that a USPAP-compliant market-value-in-use appraisal is the most effective method for rebutting the presumption that an assessment is correct).

I.C. § 6-1.1-31-6(d).

43. Regardless of the method used, a party must explain how its evidence relates to the relevant valuation date. *Long v. Wayne Twp. Ass’r*, 821 N.E.2d 466, 471 (Ind. Tax Ct. 2005). For the 2014 and 2015 assessments, the valuation dates were March 1, 2014, and March 1, 2015, respectively. I.C. § 6-1.1-4-4.5(f).

2014 Appeal

44. In support of their requested assessment, Petitioners offered Miller's appraisal. Miller analyzed the property's value under the cost and sales comparison approaches. He ultimately valued the property at \$625,000 as of March 1, 2014.

a. Miller's Cost Approach

45. The cost approach estimates the value of the land as if vacant and then adds the depreciated cost new of the improvements to arrive at a total value. MANUAL at 2 (emphasis added). Miller did not explain how he estimated his site value. He instead simply asserted that the land was worth \$56,000. He similarly failed to explain how he came up with the costs new for the five-car garage, patio, porches, and walkways or for the contributory values of the site improvements. The lack of even the most cursory support, especially for his land estimate, detracts from Miller's credibility. On the other hand, Respondent did little to dispute any of those numbers.

46. We find Miller's estimate of functional obsolescence far more troubling. To claim obsolescence, one must both identify its cause and demonstrate an actual loss of value to the improvements. See *Hometowne Associates, L.P. v. Maley*, 839 N.E.2d 269, 275 (Ind. Tax Ct. 2005) (stating that a taxpayer must provide probative evidence that identifies specific factors causing obsolescence and how those factors are causing an actual loss of value). Miller identified the home's design as the cause of the obsolescence, explaining that the house is large, that the surrounding area does not support many high-value sales, and that there are few potential buyers.

47. While we agree the home is large, Miller did little to show how its size caused a loss of value. More importantly, his quantification of an obsolescence adjustment was unreliable. He used the difference between the actual construction costs for two homes and the sale prices for two properties as a whole. We have some questions about his methodology. Since he was trying to determine obsolescence for the improvements, it is

not clear why he used the sale prices of the properties as a whole. Similarly, while Miller testified that he first deducted physical depreciation before comparing the construction costs to the properties' sale prices, which we agree would be the correct approach, his calculations indicate that he used the improvement's undepreciated costs.

48. Regardless, we find his data too limited to be reliable. Miller himself admitted the task was difficult because he had "extremely limited" data. He did little to show that the difference between the sale prices and construction costs for the two properties was attributable to size and design. Even if it was, we agree with Tillema that the range of value loss indicated by the two sales (27% to 62.75%) was too wide to support a dependable adjustment.
49. Given the lack of support for such an enormous obsolescence adjustment, Miller's analysis under the cost approach is too unreliable to be probative.

b. Miller's Sales Comparison Approach

50. We find merit in Tillema's criticism that there were too few sales of comparable properties in the market Miller defined to support a reliable analysis under the sales comparison approach. That approach "estimates the total value of the property directly by comparing it to similar, or comparable, properties that have sold in the market." MANUAL at 3. It aligns with true tax value when there are regular exchanges of comparable properties. MANUAL at 2.
51. Although he searched statewide, Miller ultimately defined the market for Petitioners' property as being within a 10-mile radius of the town of Clinton. The lack of suitable sales near Clinton led Miller to expand his range of acceptable sale dates (as opposed to expanding his market area) because he felt it was more important to find sales within his defined market. While Petitioners' home may be located in Clinton, we are not convinced that the market in which it would compete for buyers is so restricted. We find that Miller's emphasis on the geographic limits was unreasonable given his repeated

acknowledgements that the demand for similar properties within Vermillion County was extremely limited. And by defining the market so narrowly, Miller limited his potential comparable sales to such a small sample that we are not convinced there were regular exchanges of truly comparable properties within his chosen market area.

52. Indeed, Miller did little to show that the sales he used were truly comparable. Although he considered location, Miller appears to have searched for comparable sales without much regard for any other relevant characteristics. His adjustment grid lists various features appraisers typically consider, but he did little to explain what specific characteristics made his three sales suitable for comparison. He simply described them as the only sales priced anywhere close to Petitioners' property. While sales price may be an appropriate consideration, Miller admitted there were no sales in Vermillion or Vigo counties in the price range of Petitioners' home. When Miller expanded his search statewide, he searched for homes selling for over \$1 million. As a result, other than their proximity to Petitioners' home, Miller's sales do not even fit within his own limited search criteria. We therefore conclude that Miller failed to support his selection of comparable properties.

53. Even if Miller's sales could be viewed as generally comparable to Petitioners' property, he failed to support any of the adjustments he made to their sale prices. Most glaringly, he offered no support for using \$20/sq. ft. to account for the vast differences in finished living area. We agree that economies of scale and other factors may cause a home's value per square foot to decrease as its size increases. The decrease may even be substantial. But Miller's comparable properties sold for prices ranging from \$74.71/sq. ft. to \$107.64/sq. ft. of living area. And he used a base rate of \$143.57/sq. ft. of above-grade living area in his cost approach. Those disparities demand at least some explanation as to how Miller quantified his adjustment. At least Miller explained the rate he used for his size adjustments. He did less for many of his other adjustments. And he offered no support for why he believed a pole barn was sufficiently similar to Petitioners' five-car garage as to warrant making no adjustment at all.

54. As part of making a prima facie case, the taxpayer must walk us through every element of its analysis. *Long*, 821 N.E.2d at 471. Petitioners failed to do this. Miller is a licensed appraiser who backs his opinion with certifications, education, training and experience. But he failed to show there were regular exchanges of comparable properties within his chosen market area. He similarly failed to adequately support his selection of comparable properties or the adjustments he made to their sale prices. Consequently, his sales comparison analysis has no probative weight.

c. Avenatti Appraisal

55. Petitioners also offered an appraisal prepared by Anthony J. Avenatti, an Indiana certified residential appraiser. They did not call Avenatti to testify. None of the witnesses mentioned his appraisal, and Petitioners did not refer to it in their argument. Regardless, even a brief review of Avenatti's sales comparison analysis (the only approach he developed) reveals the same flaws as Miller's analysis—both appraisers failed to support their selection of comparable properties or adjustments. Like Miller's appraisal, Avenatti's appraisal carries no probative weight.

d. Conclusion for 2014

56. Because they offered no probative evidence of their property's true tax value, we find that Petitioners failed to make a prima facie case that their 2014 assessment was incorrect and the assessment should not be changed.

2015 Appeal

57. The property's assessment actually decreased between 2014 and 2015. Petitioners therefore retain the burden of proof for 2015. They relied on the same evidence, and we therefore reach the same conclusion—Petitioners failed to make a prima facie case for reducing the assessment.

SUMMARY OF FINAL DETERMINATION

58. Petitioners did not make a prima facie case for reducing their property's 2014 or 2015 assessments. We find for Respondent and order no change.

This Final Determination of the above-captioned matter is issued by the Board on the date first written above.

Chairman, Indiana Board of Tax Review

Commissioner, Indiana Board of Tax Review

Commissioner, Indiana Board of Tax Review

- APPEAL RIGHTS -

You may petition for judicial review of this final determination under the provisions of Indiana Code § 6-1.1-15-5 and the Indiana Tax Court's rules. To initiate a proceeding for judicial review you must take the action required not later than forty-five (45) days after the date of this notice. The Indiana Code is available on the Internet at <<http://www.in.gov/legislative/ic/code>>. The Indiana Tax Court's rules are available at <<http://www.in.gov/judiciary/rules/tax/index.html>>.